

JOURNAL

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June 2001

UTILITIES, DSIs AGREE TO CUT LOADS

Fewer than four weeks remain for BPA customers to make their commitments and reduce the agency's fall rate increase. As of Memorial Day, the region was more than half way to the load reductions needed to keep BPA's wholesale rate increase down to double digits. But, some of the agreements are contingent on meeting the entire target, so realizing these savings will depend on commitments from remaining customers. Here are some of the first signers.

Clark Public Utilities of Vancouver, Wash., committed to reducing its BPA load by 10 percent. "It is very important that all of BPA's customer groups come together to help solve this problem," said Wayne W. Nelson, Clark's general manager. "If all customer groups contribute...we can have a huge impact on the cost of electricity for consumers."

PacifiCorp, a Portland-based investor-owned utility, released BPA from its commitment to sell it 251 average megawatts a year for the next five years. Instead, BPA will make a cash payment to PacifiCorp that will maintain benefits to the company's residential and small farm customers. PacifiCorp will reduce its first-year cash benefits equivalent to BPA's offerings to other utilities to reduce loads. "We're doing our part to help address the impact of the extremely volatile power market on the region's economy," said Matthew Wright, a senior vice president of PacifiCorp. "At the same time, our residential and small-farm customers will receive a significant increase in benefits from the BPA system compared to the last five years."

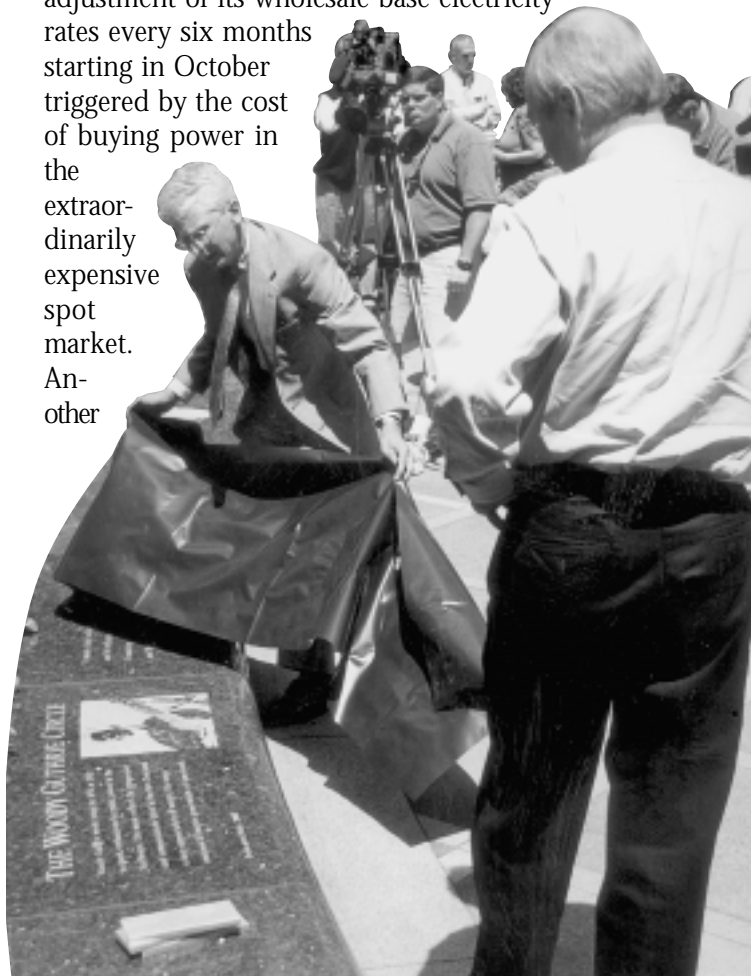
ALCOA will curtail operations at its Ferndale (Intalco) plant, near Bellingham, Wash., by more than 400 megawatts for up to two years and compensate workers in the interim.

Columbia Falls Aluminum Company near Kalispell, Mont., will curtail most of the 171 megawatts it would purchase from BPA starting Oct. 1, 2001. "I commend both Alcoa and CFAC for

making these commitments," said BPA Acting Administrator Steve Wright. "These agreements protect aluminum workers while holding down rates, thereby preserving many thousands of jobs in other industries throughout the region."


RATE CASE NEARS CONCLUSION

BPA released a Draft Supplemental Record of Decision on May 25. If adopted, it would include an adjustment of its wholesale base electricity rates every six months starting in October triggered by the cost of buying power in the extraordinarily expensive spot market. Another



BPA honors Woody Guthrie: Sixty years ago this month, folksinger Woody Guthrie wrote 26 songs for BPA. The agency hired Guthrie to produce music for a film. On May 24, Acting Administrator Steve Wright unveiled a landscape tribute and named BPA's entrance "The Woody Guthrie Circle."





decision BPA is considering in the draft supplemental ROD is rejection of a proposal by aluminum companies for a tiered rate.

The draft supplemental ROD does not contain actual rate adjustment numbers, but contains a formula and affords those participating in BPA's supplemental rate case an opportunity to provide comments. BPA rates staff will announce preliminary percentage adjustments on June 6. Between June 6 and June 20, BPA will work with customers to achieve additional load reductions to achieve a lower overall increase. The BPA administrator will issue the final supplemental Rod on June 20. The final rate adjustment numbers will be released on June 29.

NW ACTIONS AVERT POWER CRISIS

The Northwest's power situation has eased somewhat for this summer thanks to the region's extraordinary short-term measures — industrial power curtailments, reduced water spills at dams and temporary generators. That was the finding of the Northwest Power Planning Council in late May. The council pointed out that these measures have had their own consequences. Industrial cutbacks have cost jobs. "Some reduction" (the council put it at 2 percent) in fish survival is expected. And, temporary generators, primarily diesel, add to air pollutants. Neither water nor market conditions have improved, the council said.

While analysis for winter conditions is still incomplete, preliminary work from the council suggests the probability of a power shortfall next winter has been reduced from about 20 percent to 17 percent. This is still more than three times the electricity industry standard.

SPILL HELPS MOST IN MAY

Most of the endangered or threatened young salmon that swim downstream through the Columbia River system do so in late April through early June. Therefore, biological benefits of spilling water past the dams (rather than through the turbines) is greatest during this time. Given that fact, BPA began a limited spill of 300 megwatt-months at Bonneville and The Dalles dams on May 16. After the North-

west Power Planning Council announced the success of the region's emergency power measures (see preceding story), the spill was cautiously continued through June 1 and expanded to add small amounts of spill at John Day and McNary dams. Federal, state and tribal fish and power managers continue to meet weekly to consider their next steps. The Columbia River streamflow forecast for this water year still stands at about 57 million-acre-feet, second worst on record.

BPA ADDS MORE FISH PROJECTS


BPA will fund 11 "high priority" projects to provide immediate aid to endangered salmon and steelhead in the Columbia Basin at about \$15 million. Another four projects have received provisional approval and, if implemented, would add approximately \$4 million to the budget. The projects, solicited by BPA and the Northwest Power Planning Council, can be implemented this year to begin providing immediate biological benefits to salmon and steelhead listed under the Endangered Species Act. These projects are in addition to the fish and wildlife projects already approved through the Northwest Power Planning Council's Fish and Wildlife Program, for which BPA has budgeted \$127 million this year. They are also in addition to fish passage improvements at federal dams, the fish transportation program and other fish and wildlife efforts funded by BPA.

BPA also has received and is evaluating 60 proposals for actions to address adverse impacts on fish from emergency hydro operations this year.

SALES TO CALIFORNIA: ONLY WHEN IT DOESN'T HURT THE NORTHWEST

BPA is acutely aware of California's difficult power supply problem. BPA wants to provide what help it can to California as long as it does not harm the Northwest's ability to meet its own loads or worsen the effects of the drought on endangered fish.

BPA is not regularly selling power to California except as required under long-term contracts. Where contract terms allow, BPA has terminated these contracts or converted them to energy exchanges.



BPA does make short-term sales to California when there is water in the river that cannot be stored. BPA sold about 1,000 megawatts of electricity to California one weekend in early May when BPA needed to move more water out of Lake Roosevelt to meet minimum flow requirements in the Columbia River. That created a short-term surplus that BPA was able to sell on the open market.

At times, flows may be increased out of Grand Coulee Dam at the request of Northwest tribes because streamflows are so low. These short-term operations may result in some surplus power, and, if so, it may be sold to California. However, any such flow operations would be specifically to benefit fish.

BPA also will exchange energy with California as opportunities arise as long as California is able to return energy to the Northwest in a timely fashion so that Northwest ratepayers and rivers are not harmed.

BPA IN THE NATIONAL ENERGY POLICY

“The Administration should review the Bonneville Power Administration’s capital and financing requirements in the context of its membership in a regional RTO (regional transmission organization), and if additional Treasury financing appears warranted or necessary in the future, the Administration should seek an increase in BPA’s borrowing authority at that time.” That’s the sole specific reference to BPA in the president’s National Energy Policy, released May 17. It refers to concern that BPA will exhaust its line of credit with the U.S. Treasury well before completing needed transmission and hydro efficiency improvements in the Federal Columbia River Power System. “Just having this mentioned in the president’s plan is a big deal,” Acting Administrator Steve Wright said in response. “Access to capital...is critical.” The report further calls for federal utilities (including BPA) to determine whether transmission expansions are needed to remove constraints from the electric grid.

COLD DRINKS FOR LESS JUICE

So far, more than 60 utilities are participating in a BPA program to install a power control device known

as a VendingMiSer on cold drink vending machines. Vending machines run around the clock. This device powers down all electrical components of the machine during inactive periods; a motion sensor detects people approaching and turns it back on. Tests performed by Coca Cola and Pepsi Cola show customers still get ice-cold drinks. Energy use is cut an average 46 percent. BPA expects to save enough energy to power up to 15,000 homes.

PUTTING DAMS IN A NEW LIGHT

BPA, the U.S. Army Corps of Engineers and the Bureau of Reclamation are installing energy efficient lighting and other conservation measures at Northwest federal dams. The project could save enough energy to serve as many as 2,400 households. Each of the region’s federal dams has several galleries with a hundred or more 100-watt light fixtures that are always on. Replacing them with compact fluorescent lights on timers or occupancy sensors will produce big savings.

NUCLEAR PLANT REFUELS

The Columbia Generating Station nuclear plant began a refueling outage at midnight on May 18. Energy Northwest is trying for a record 29-day, 22-hour outage and is scheduled to return the plant to service on June 17. BPA arranged for power supplies to replace the 1,150-megawatt plant while it is off line. Originally, the plant had been scheduled for a mid-April outage, which was delayed to accommodate the region’s power needs.

NORTHERN PIKEMINNOW SEASON OPENS


BPA will pay \$4 to \$6 per northern pikeminnow caught in the Columbia River this season. Since the fish eat young salmon and steelhead, controlling their numbers helps protect endangered fish. The sport-reward program is designed to control, not eradicate, the predators. Since 1990, sport-reward anglers have removed more than 1.5 million northern pikeminnows. Biologists estimate the program has cut predation on young salmon by about 25 percent. For details, see www.pikeminnow.org


PUBLIC INVOLVEMENT

STATUS REPORTS

Blackfeet Wind Project EIS. Mont. — To acquire 36-66 megawatts of electricity from the proposed wind project.

Coeur d'Alene Tribe (CDA) Trout Production Facility Project EA. Idaho — To fund design, construction, operation and maintenance of a facility to provide off-site mitigation for losses on the mainstem Columbia River.



Condon Wind Project EIS. Ore. — To acquire about 50 megawatts of electricity from the proposed Condon Wind Project. The draft EIS is available (#3376). 


Fish and Wildlife Implementation Plan EIS. Regionwide — To examine potential impacts of implementing one of the fish and wildlife policy directions being considered in regional processes. Draft EIS is available (#0312). 

Grande Ronde and Imnaha Spring Chinook Project EA. Ore. — To build egg incubation and juvenile rearing facilities next to the Lostine and Imnaha rivers and to modify the Gumboot adult collection facility and the Lookingglass Hatchery in partnership with the Nez Perce Tribe, Oregon Dept. of Fish and Wildlife and the Confederated Tribes of the Umatilla Indian Reservation.


Johnson Creek Artificial Propagation Enhancement EA. Idaho — Develop native chinook salmon broodstock for rearing of acclimated smolts to preserve and recover the population.

Kangley-Echo Lake Transmission Line Project EIS. Wash. — To build a 500-kV transmission line in King County to connect an existing transmission line near Kangley to Echo Lake Substation.

NEW! Maiden Wind Project EIS. Wash. — To acquire 150 to 494 megawatts of power from the proposed wind project.  

McNary-John Day Transmission Line Project EIS. Ore. and Wash. — To build a new 500-kV transmission line from McNary Substation to John Day Substation. 

NEW! Mercer Ranch Power Generation Project EIS. Wash. — To integrate an 850-megawatt natural-gas-fired combustion turbine 11 miles west of Paterson with BPA's transmission grid.

Resource Contingency Program EIS SA. Wash. — SA-02, Chehalis Generation Facility, and a ROD on Electrical Interconnection of the Chehalis Generation Facility are available. 


Santiam-Bethel Transmission Line Project EA. Ore. — To rebuild a 17-mile section of the Santiam-Chemawa line to double-circuit to accommodate a new 230-kV transmission line from the Santiam Substation to a Portland General Electric line that goes to PGE's Bethel Substation.

Schultz-Hanford Area Transmission Line Project EIS. Wash. — To build a new 500-kV line to relieve constraints on several electrical lines, provide more operational flexibility to meet endangered salmon obligations and maintain transmission capacity to import and export energy.

NEW! Starbuck Power Project EIS. Wash. — To integrate power from the proposed project into the transmission grid.


Umatilla Generating Project EIS. Ore. — To integrate electrical power from a new 550-megawatt natural gas-fired combined-cycle combustion turbine generation plant proposed by the Umatilla Generating Co., LP.

Wallula-McNary Transmission Line and Wallula Power Project EIS. Ore. and Wash. — To build 35 miles of transmission line from a proposed gas-fired power generation project in Wallula, Wash., to McNary Substation, Ore.

Watershed Management EIS SA. Wash. — Chumstick Creek Culvert Replacement Projects. (SA-51) 

White Sturgeon Mitigation and Restoration in the Columbia and Snake Rivers Upstream From Bonneville Dam EA. Ore., Wash. and Idaho. — To restore and mitigate for documented lost white sturgeon productivity caused by development and operation of the hydropower system using intensive fisheries management and modified hydro system operation.

Wildlife Management EIS SA. Wash. — Western Pond Turtle Recovery - Columbia River Gorge. (SA-15) 

Wholesale Power Rates Amended Proposal. Regionwide — Draft Supplemental ROD is available. See story. 

CALENDAR OF EVENTS

Wallula-McNary Transmission Line and Wallula Power Project. Scoping meeting. **June 7**, 4-8 p.m., McNary Fire Station, 305 Willamette St., McNary, Ore.

Condon Wind Project. Draft EIS comment meeting. **June 26**, 4-7 p.m., Gilliam County Courthouse, Circuit Court Rm., 2215 Oregon St., Condon, Ore.

Maiden Wind Project. Scoping meeting. **June 26**, 4-7 p.m., Prosser Senior Citizen Center, 1231 Dudley Ave., Prosser, Wash.

Conservation or Crisis? A Northwest Choice. Conference sponsored by BPA and NewsData. **Sept. 24-26**, DoubleTree Hotel, Jantzen Beach, 909 N. Hayden Island Dr., Portland, Ore. Contact Jennifer Eskil (509) 527-6232 for info.


CLOSE OF COMMENT

McNary-John Day Transmission Project. Scoping. **June 18**

Wallula-McNary Power Line and Wallula Power Project. Scoping. **July 13**

Maiden Wind Project. Scoping. **July 13**

Condon Wind Project. Scoping. **July 16**

Unless otherwise noted, documents cited are being prepared.  Indicates a new document is available. Call to order new documents or to be added to the mail list(s) of project(s) of interest to you. Process Abbreviations: **EA** – Environmental Assessment, **EIS** – Environmental Impact Statement, **FONSI** – Finding of No Significant Impact, **ROD** – Record of Decision, **SA** – Supplement Analysis.

FOR MORE INFORMATION OR TO GET INVOLVED: The *Journal* is a monthly newsletter of the Bonneville Power Administration for customers and interested publics. To order documents, call: 800-622-4520 or (503) 230-7334 (Portland). For questions/comments or to be added to a mail list, call: (503) 230-3478 (Portland) or 800-622-4519. Written comments may be sent to: BPA, P.O. Box 12999, Portland, OR 97212. Public Involvement, Internet, E-mail address comment@BPA.gov, BPA home page: <http://www.bpa.gov>